

DEC 23 '97

12-50 PM

BILL OF SALE

THIS BILL OF SALE ("Bill of Sale") is dated as of December 23, 1997 by HELM FINANCIAL CORPORATION, a California corporation ("Seller"), in favor of HELLER FINANCIAL LEASING, INC. ("Buyer").

R E C I T A L S

WHEREAS, Seller and Duluth, Missabe and Iron Range Railway Company ("DMIR") entered into an Agreement of Purchase and Sale dated as of December 1, 1997 and all Exhibits entered into pursuant thereto ("Agreement") for the sale of five (5) SD40-3 locomotive(s) described in Schedule A attached hereto ("Units"); and

WHEREAS, effective as of the date of this Bill of Sale, DMIR has assigned all of its right, title and interest, but none of its obligations, under, in and to the Agreement to Buyer.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, Seller agrees as follows:

1. **Sale of Unit(s).** Seller does hereby sell, convey, assign and transfer to Buyer all of its right, title and interest in and to the Units and any and all warranties, guaranties and indemnifications received from Seller by any manufacturer, remanufacturer or refurbisher including VMV Enterprises, Inc. and Woodward Governor Company.

2. **DISCLAIMER OF WARRANTY.** EXCEPT AS SET FORTH IN THE AGREEMENT AND IN THIS BILL OF SALE, SELLER SELLS AND BUYER PURCHASES THE UNITS AS-IS AND WHERE-IS, AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND RESPECTING THE UNITS WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED AND SELLER HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING SOLD THE UNITS PURSUANT TO THIS BILL OF SALE TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF WORKMANSHIP IN THE UNITS, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND SELLER SHALL NOT BE LIABLE, IN CONTRACT, TORT OR OTHERWISE, ON ACCOUNT OF ANY MANUFACTURER'S DEFECT OR OTHER DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY UNITS; HOWEVER, SELLER DOES WARRANT THAT IT HAS GOOD TITLE TO THE UNITS AND THAT THEIR TRANSFER IS RIGHTFUL AND WITHOUT LIEN, SECURITY INTEREST OR ENCUMBRANCE. SELLER AGREES TO INDEMNIFY AND HOLD BUYER HARMLESS FROM AND AGAINST ANY LOSS OR EXPENSE (INCLUDING ATTORNEYS' FEES) ARISING FROM BREACH OF THE FOREGOING WARRANTY OF TITLE. SELLER'S FOREGOING WARRANTY OF TITLE SHALL SURVIVE THE DATE OF THIS BILL OF SALE WITH RESPECT TO ANY LIEN, SECURITY INTEREST OR ENCUMBRANCES ARISING PRIOR TO THE DATE HEREOF.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed by its officer thereunto duly authorized on the day and year first above written.

HELM FINANCIAL CORPORATION

By: John F. Dains

Print Name: John F. Dains

Title: Senior Vice President,
Chief Financial Officer

SCHEDULE A

TO BILL OF SALE DATED AS OF DECEMBER 23, 1997

Description of the Units:

Five (5) EMD Model SD40-3, six (6) axle, 3000 horsepower locomotives equipped with Woodward Governor Complete Locomotive Control Microprocessors; formerly EMD Model SD45-T2 and SD45-2 locomotives.

Reporting Mark & Numbers:

New:

DMIR 415

DMIR 416

DMIR 417

DMIR 418

DMIR 419

Prior:

SP 9257

CSXT 8951

HATX 945

HATX 909

SP 6794

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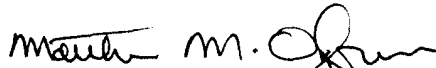
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On December 23, 1997, before me, Matthew M. Ogburn, personally appeared John F. Dains, Senior Vice President, Chief Financial Officer, of **HELM FINANCIAL CORPORATION**,

✓ personally known to me -OR-

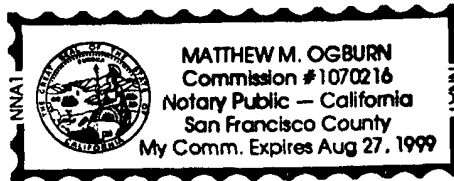
— proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.



SIGNATURE OF THE NOTARY

[Notarial Seal]



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